

## ANNEX

1. An airline designated by the Government of the United Kingdom may operate a return service originating in the United Kingdom and terminating in Canada and may take on and put down at Montreal, passengers, mail and cargo for and from the United Kingdom.

2. An airline designated by the Government of Canada may operate a return service originating in Canada and terminating in the United Kingdom and may take on and put down in the United Kingdom passengers, mail and cargo for and from Canada. Pending the provision of a London airport, the airline designated by the Government of Canada shall be granted alternative airport facilities in the United Kingdom, not less favourable than those accorded to the airline designated by the United Kingdom.

3. The route shall be:—

United Kingdom—Eire—Newfoundland—Montreal and the following alternatives:—

United Kingdom—Iceland—Newfoundland—Montreal.

United Kingdom—Lisbon—Azores—Bermuda—Montreal.

4. Trans-Canada Air Lines and British Overseas Airways Corporation shall, for the operation of these services, be deemed to be qualified to fulfil the conditions referred to in Article 2 para. (2) of this Agreement.

5. Each airline shall be entitled to operate the same capacity. On this Agreement coming into force the total capacity shall be sufficient to accommodate up to 350 passengers each week travelling in each direction and air mails and freight. Thereafter the capacity to be provided shall be discussed from time to time between the competent air authorities of the contracting parties and adjusted by agreement between them.

6. The frequencies of the services to be operated by the designated airlines of the contracting parties and the load factor to be adopted for determining the frequencies shall from time to time be agreed between the airlines of the contracting parties, subject to the approval of the competent air authorities of the contracting parties.

7. In order to meet seasonal fluctuations or unexpected traffic demands of a temporary character the designated airlines may, notwithstanding the provisions of paragraph 5 of this Annex, agree between them to such temporary increases of capacity for either airline or both airlines as are necessary to meet the traffic demand. Any such increases shall be reported forthwith to the competent air authorities who may confirm or modify them.

8. In so far as one of the contracting parties may not wish, permanently or temporarily, to operate, in full or in part, the capacity to which it is entitled under the preceding paragraphs, that contracting party may arrange with the other contracting party, under terms and conditions to be agreed between them for the designated airline of such other contracting party to operate additional capacity so as to maintain the full capacity agreed upon between them in accordance with the preceding paragraphs. It shall, however, be a condition of any such arrangement, that if the first contracting party should at any time decide to commence to operate or to increase the capacity of its services, within the total capacity to which it is entitled under paragraph 5